Every carrier in order to get its market share offers competitive fares. The level of international fares is determined by various factors like cost of operation, volume of traffic, level of competition etc. When market fares are reduced by foreign airlines, Air India match these fares to the extent possible to maintain their market share.

VRS Scheme for AI

159. SHRI A. VIJAYARAGHAVAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have taken any effective steps to check the operating losses of Air India;

(b) if so, the details thereof;

(c) whether Government have decided any wage out or VRS scheme for Air India;

(d) if *so,* the details thereof;

(e) whether Government have taken any decision to disinvest Air India and Indian Airlines; and

(f) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) and (b) Air India Limited has taken the following steps to improve the financial performance:—

(i) Marketing *efforts* have been stepped up to generate additional revenue.

(ii) Network rationalisation and consolidation With emphasis placed on route profitability.

(iii) Reduction in expenditure on outside repairs of aircraft by undertaking more in-house repairs.

(iv) Several posts of India based officers abroad have been abolished.

(v) Freeze on external recruitment in non-operational categories.

(vi) Two voluntary schemes have been notified, *viz.* shorter working week scheme and leave without pay/allowance scheme for a period of two years extendable upto five years.

(c) and (d) No, Sir.

(e) and (f) Yes, Sir. The Government has approved in principal, bringing down the equity of the Government of India in Air India to 40% through a process of disinvestment by sale of 40% of equity to a strategic partner, upto 10% to employees and the balance by sale to financial institutions and/or on the share market. In the event of the strategic partner being a joint venture with an element of foreign holding, the arrangement should be such as would limit foreign holding in air India to a maximum of 25% of the total equity.

As regards Indian Airlines, Government has decided to disinvest 51 percent of equity of Indian Airlines out of which 26 percent of the equity would be given to a strategic partner. Remaining 25% of the equity would be offered to the employees financial institutions and public.

Disruption of Delhi-Lucknow-Patna Air service

160. SHRI CM. IBRAHIM:

SHRI SATISH PRADHAN:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether a Delhi-Lucknow-Patna, Alliance air flights in the month of May 2000, was forced to fly straight to Patna without touching Lucknow;

(b) if so, the reasons for such diversion and disruption of the flights;

(c) the loss incurred on account of such disruption of the flights; and

(d) whether such incidents arc damaging the prestige of Indian air transport system?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) and (b) The diversion of flight CD 7411 operating on Delhi-Lucknow-Patna sector on 12.5.2000 was due to operational reasons. The flight CD 7411, scheduled to leave at 5.40 PM, was initially delayed clue to bad weather at Delhi airport. After the aircraft left for take-off, it returned to off-load a passenger who complained of chest pain and wanted to deplane. The flight was further delayed as there was no parking space available at Lucknow airport due to diversion of certain other flights. The revised departure was fixed at 9.45 PM. Since the watch hours available at Patna airport were only till 11.00 PM and the ATC did not allow to extend the watch hours it was decided to re-route the flight via Patna. Had the aircraft operated on the normal route the flight would have